



## DEMETER ASSOCIATION, INC.

For Certification of BIODYNAMIC AGRICULTURE

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### DEMETER COMMENT ON FURNISHING FINANCIAL SECURITY

First of all, it has never been apparent to us what 'rights' of the certified parties need protecting. Is it the 'right' not to have certification revoked? Are we looking at Errors and Omissions protection? Or product liability? Both are extremely costly and probably not sustainable for a small certifier.

Are we looking to guarantee that some other certifier will pick up the clientele of a deceased certifier? Is this not a marketing question (supply and demand to take up the slack) rather than a question of security?

If a certifier ceases operations, does that automatically negate active certificates before their stated expiration dates? If not, there is time and opportunity for clientele to locate another certifier.

Is security needed to insure transfer of records? If so, this surely can be minimum.

USDA has not been forthcoming as to what the issues are. Is 'willful failure' intentional neglect of a client? How long would a certifier stay in business with this attitude? Nothing is binding the client to the certifier other than mutual agreement and mutual fulfillment of responsibility. Is lack of time to satisfy the many demands of accreditation and government regulations 'willful failure'? If so, we may all be hung.

Secondly, any time costs are mentioned, keep in mind that they will need to come from our clientele of mostly farmers. Approximately 50% of our certified farmers gross less than \$20,000/year for full-time farming. How much more can we add to their burden?

Suppose the cost of 'security' was offered as an option to the certifier's clientele? Each client could then opt to buy into the program or not. The cost could be tied to their yearly income. This would be a truly fair way to approach it and would give each client a choice. Of course we need to know what security we are talking about before we know whether this makes sense.

Our final plea is for greater clarity so that we may comment to better purpose. Financial security requirements must make sense in terms of the folk we deal with.

Sincerely,

Anne Mendenhall, Director